



Drumbeat: January 5, 2011

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[Peak Oil and a Changing Climate](#)

The scientific community has long agreed that our dependence on fossil fuels inflicts massive damage on the environment and our health, while warming the globe in the process. But beyond the damage these fuels cause to us now, what will happen when the world's supply of oil runs out?

Peak Oil is the point at which petroleum production reaches its greatest rate just before going into perpetual decline. In "Peak Oil and a Changing Climate," a new video series from The Nation and On The Earth productions, radio host Thom Hartmann explains that the world will reach peak oil within the next year if it hasn't already. As a nation, the United States reached peak oil in 1974, after which it became a net oil importer.

Bill McKibben, Noam Chomsky, Nicole Foss, Richard Heinberg and the other scientists, researchers and writers interviewed throughout "Peak Oil and a Changing Climate" describe the diminishing returns our world can expect as it deals with the consequences of peak oil even as it continues to pretend it doesn't exist. These experts predict substantially increased transportation costs, decreased industrial production, unemployment, hunger and social chaos as the supplies of the fuels on which we rely dwindle and eventually disappear.

[FACTBOX-Five facts about Mexico's Maya heavy crude oil blend](#)

(Reuters) - Exports of Mexico's Maya heavy crude oil blend are expected to fall by more than 10 percent in 2011 due to increased domestic demand and a lack of new production.

[Tom Whipple: The Queensland Flood is Coming to Your Neighborhood](#)

The news this week that about one-third of Australia's coal production has been halted by massive flooding in the state of Queensland is an opportunity to look at the coal supply situation in Asia and the impact it could have on global energy prices in the next few months.

[Canada Will Receive Record LNG Shipments in January, FirstEnergy Says](#)

Canada will receive a record 22 billion cubic feet of liquefied natural gas in January, 69 percent more than the previous high of 13 billion cubic feet, FirstEnergy Capital Corp. said.

[Oil rig workers gain dubious distinction](#)

NEW YORK (CNNMoney) -- After last year's explosion in the Gulf of Mexico, oil rig workers are again thought to have the worst job in America.

[Dubai Refiner Enoc Will Expand Fujairah Fuel Storage, CEO Says](#)

Emirates National Oil Co. plans to expand refined oil products storage capacity in the United Arab Emirates sheikhdom of Fujairah for trading and local supply, the head of Dubai's government-owned refiner said today.

[Venezuela: A divided country?](#)

As Venezuela's new parliament meets for the first time, the BBC's James Robbins asks if the oil-rich country is now as polarised as its parliament, where the opposition has gained seats but only limited influence.

[Iran invites RF, China official to visit its nuke facilities](#)

TEHRAN (Itar-Tass) - Iran has invited representatives of several countries, including Russia and China, to make a trip to Iran's nuclear facilities. Iran's Permanent Representative to the International Atomic Energy Agency (IAEA) Ali Asghar Soltanieh said in Vienna on Tuesday that this visit is expected on January 15-16.

[EU says up to UN to inspect Iran's nuclear sites](#)

(Reuters) - The European Union's executive said on Wednesday it was up to the U.N. nuclear watchdog to inspect Iranian atomic facilities, after Tehran invited EU envoys to tour the sites this month.

[The incumbent's advantage](#)

In theory, I'm the perfect customer for the Nissan Leaf. I don't drive frequently. I don't need a car with much space. I never need to go farther than 100 miles at a time.

But the Nissan Leaf wouldn't work for me at all, as I don't own a garage, and D.C's streets aren't outfitted with charging stations. Which gets to the difficulty these new technologies will have: We've sunk an enormous amount of money into the infrastructure that makes cars that run on refined oil products convenient to use as our

primary modes of transportation. Garages, for instance. And gas stations. And roads. Some of these investments were public and some were private, but together, they amount to a huge and often invisible advantage to the incumbent technology. Even as other technologies come closer and closer to competing on cost, it's going to take a long time before they can compete on convenience.

[Prius Killer](#)

Prius fans are fond of pointing out that the newest model has one of the lowest coefficients of drag ever achieved on a production vehicle, but they neglect to mention that the car gets this cred because it drives like a drag. The Prius never lets you forget that it is a special kind of vehicle, one dedicated to saving the earth rather than giving you a great ride.

[World Food Prices Rise to Record on Sugar, Meat Costs](#)

World food prices rose to a record in December on higher sugar, grain and oilseed costs, the United Nations said, exceeding levels reached in 2008 that sparked deadly riots from Haiti to Egypt.

An index of 55 food commodities tracked by the Food and Agriculture Organization gained for a sixth month to 214.7 points, above the previous all-time high of 213.5 in June 2008, the Rome-based UN agency said in a monthly report. The gauges for sugar and meat prices advanced to records.

Sugar climbed for a third year in a row in 2010, and corn jumped the most in four years in Chicago. Food prices may rise more unless the world grain crop increases "significantly" in 2011, the FAO said Nov. 17. At least 13 people died last year in Mozambique in protests against plans to lift bread prices.

[To Beat Back Poverty, Pay the Poor](#)

The city of Rio de Janeiro is infamous for the fact that one can look out from a precarious shack on a hill in a miserable favela and see practically into the window of a luxury high-rise condominium. Parts of Brazil look like southern California. Parts of it look like Haiti. Many countries display great wealth side by side with great poverty. But until recently, Brazil was the most unequal country in the world.

Today, however, Brazil's level of economic inequality is dropping at a faster rate than that of almost any other country. Between 2003 and 2009, the income of poor Brazilians has grown seven times as much as the income of rich Brazilians. Poverty has fallen during that time from 22 percent of the population to 7 percent.

[Pemex 2010 Output Falls to Lowest Level in 20 Years](#)

Petroleos Mexicanos, the state-owned oil company, saw production fall to its lowest level in 20 years after autumn storms in the Gulf of Mexico curbed output.

[Pemex Reopens Dos Bocas Oil Export Terminal in Gulf](#)

Petroleos Mexicanos, the state-owned oil company, reopened its smallest oil export terminal in the Gulf of Mexico after closing it Jan. 2 because of bad weather.

The terminal at the port of Dos Bocas reopened, Mexico's Merchant Marine said today in a weather bulletin posted on its website. Pemex, as the Mexico City-based company is known, yesterday opened its two largest terminals, Cayo Arcas and Coatzacoalcos.

[Australia floods cause "catastrophic" damage](#)

ROCKHAMPTON, Australia (Reuters) – Australia's record floods are causing catastrophic damage to infrastructure in the state of Queensland and have forced 75 percent of its coal mines, which fuel Asia's steel mills, to grind to a halt, Queensland's premier said on Wednesday.

The worst flooding in decades has affected an area the size of Germany and France, leaving towns virtual islands in a muddy inland sea, devastated crops, cut major rail and road links to coal ports, slashed exports and forced up world coal prices.

"Seventy-five percent of our mines are currently not operation because of this flood," Premier Anna Bligh told local television. "So, that's a massive impact on the international markets and the international manufacturer of steel."

[Australian Rains Swamp Profit at Germany's Coal-Fed Power Plants](#)

Profit from producing power with coal in Germany, Europe's biggest consumer of the fuel, is headed toward the lowest level on record as rainfall in Australia closes mines and raises prices worldwide.

Returns at coal stations in Germany tumbled 32 percent this week to 2.80 euros (\$3.70) a megawatt hour. That's near the 1.79 euros reached on Dec. 20, the lowest since Bloomberg began compiling the data in May 2008. European coal rose yesterday to the most in more than two years.

[Saudi Aramco Cuts Most February Oil Prices, Increases Super Light to Asia](#)

Saudi Aramco, the world's largest state-owned oil company, lowered official selling prices for all of its crude grades for customers in the U.S., Europe and the Mediterranean for February.

[Steve LeVine: Frenemies Forever](#)

Over the past decade, the American public has been presented with the case against Saudi Arabia, and it's a damning indictment: oil (dirty), terrorism (evil), fundamentalist Islam (dangerous), human rights (shockingly bad). President Barack Obama has spoken of the need to "get off Middle East oil" so that America is no longer beholden to the "whims of oil-rich dictators." Former CIA Director R. James Woolsey and others argue that petroleum profits fuel terrorism and fundamentalist interpretations of Islam. Human rights groups point to the reality that women can't drive in Saudi Arabia, that beheading is a common form of punishment there, and that the country still has no constitution -- only an austere, seventh-century interpretation of the Quran.

The verdict: Guilty. But so what? You can't throw a country in jail. In fact, a decade after the 9/11 attacks were mounted by a team of mostly Saudi terrorists, America needs Saudi Arabia more than ever.

Related: [How I learned to stop worrying and love the Saudis](#)

[FACTBOX-Key political risks to watch in Tanzania](#)

DAR ES SALAAM (Reuters) - Tanzania has enjoyed relative stability in an often unsettled region, but growing criticism on the government's fight against corruption and an energy crisis clouds the east African country's 2011 outlook.

EKET (AKWA IBOM) - Increased energy supply is crucial to the economic advancement of Nigeria in the 2011 fiscal year, an economist, Mr. Friday Udoh, has said.

[Thailand: Govt to subsidise diesel](#)

The Energy Policy Committee on Wednesday morning agreed to use money from the state Oil Fund to subsidise prices of diesel B3 and bio-diesel B5 by 0.50 baht per litre, to keep the pump price below 30 baht a litre.

[Malawi govt. sets up oil company](#)

Reacting to the perennial fuel shortage in the country, the Malawi government on Tuesday set up a National Oil Company.

[Argentina govt. allows fuel prices to rise](#)

A shortage of petrol has led to extremely long queues outside service stations, not to

mention a rise in prices.

While in some Latin American countries, a liter can be bought for little as a cent - such is the case of Venezuela - in Argentina, the cost is often well over \$1.

Consumers, particularly those that require a vehicle for work purposes, are fed up and say that having to deal with a double whammy of expensive petrol and a wait to fill-up is just not good enough.

[Sinopec Trading Unit Halts Diesel Imports as China's Fuel Shortage Eases](#)

China International United Petroleum & Chemical Corp., the nation's largest oil trader, will halt imports of diesel this month, according to a company official with knowledge of the plans, as a domestic shortage eases.

The trader imported at least 200,000 metric tons of diesel, or more than five cargoes, in November and December, after a shortfall prompted refiners to maximize production and boost purchases from abroad. The diesel, or gasoil, shortage is "gradually easing," and inventories of the fuel are rising, the nation's top economic planner said Dec. 21.

[Oil production stalls in 2010 as fuel prices stay up](#)

Uganda missed an opportunity to join the world's new oil producing countries in 2010 as Ghana accomplished the feat. Oil production was scheduled to start last year, but a tax dispute between the government and two oil exploration firms held the plan in reserve.

[INTERVIEW - U.S. sanctions hamper Iraq power imports from Iran](#)

BAGHDAD (Reuters) - Iraq has been unable, due to U.S. sanctions, to pay Iran millions of dollars owed for electricity, an Iraqi official said, potentially damaging its efforts to supply enough power to a population suffering chronic shortages.

[India refiner rushes for oil on Iran supply fears](#)

NEW DELHI/SINGAPORE (Reuters) - India's top buyer of Iranian crude is seeking as much as 2.6 million barrels from the spot market, in the face of any possible supply disruption due to a payments row between the two countries.

[Don't bet on it: BP is a huge bite, even for Shell](#)

Investors who rushed into BP shares based on speculation in Britain that Shell could be mulling a takeover bid may have been a little hasty.

[Sinopec Group, Repsol Discuss Ventures After \\$7.1 Billion Brazil Oil Deal](#)

China Petrochemical Corp. and Repsol YPF SA, Spain's largest oil company, are in talks on joint ventures around the world after the Chinese refiner invested \$7.1 billion in a Repsol unit in Latin America last year.

[FACTBOX-Oil companies active in Iraqi Kurdistan](#)

Reuters) - Oil output from the semi-autonomous region of Kurdistan helps boost exports that provide Iraq with about 95 percent of its federal revenue.

The Kurdistan Regional Government (KRG) says it holds reserves of 45 billion barrels. That has not been verified and contrasts with other estimates, such as the 2 billion barrels in proven reserves given by the U.S. Energy Information Administration.

[Possible Winners and Losers of Cuba's Deep Water Drilling](#)

Well, well. In early March, Cuba will commence with deep water drilling under contract with Repsol and Statoil ASA, using an older rig that was recently rehabbed by the Chinese. Reports indicate that it has fewer safety features than the BP's infamous Deepwater Horizon. The site is located a scant sixty miles southeast of Key West, Florida.

How can this be? Thank President Jimmy Carter, who etched a 1977 agreement essentially splitting the Straits of Florida 50/50 between the US and Cuba. Expect scores of deep water wells around Cuba's multi-billion barrel oil pool over the next few years.

[Today's Trends: Canary in A Coal Mine](#)

In past cycles a drop in the transports has signaled the end of a rally for crude. After rallying approximately 25% in 2010, the Dow Jones Transportation Average has entered territory not seen since 2008. Should this Monday's 52-week high of 5219.8 turn out to be an inflection point for the index, then any meaningful reversal of course could again signal lower prices in crude.

[Study Finds Record Value for 2010 O&G Transactions](#)

Worldwide transactions involving upstream oil and gas (O&G) assets reached a record \$107 billion in 2010, a 160 percent increase above 2009 transaction values in total asset deal value, according to preliminary results in the IHS Herold 2011 Global Upstream M&A Review. The increase was driven by spending by national oil companies (NOCs), major divestiture programs by BP (to pay for the Macondo oil spill), ConocoPhillips,

Suncor Energy and Devon Energy, as well as major joint ventures focused on North American unconventional resource plays.

[China Gas shares remain suspended](#)

The trading of shares in China Gas Holdings, a natural gas distributor part-owned by the Oman Oil Company, will remain suspended after the company said two of its executives were detained by police.

China Gas officials said in a statement to the Hong Kong stock exchange yesterday that Liu Ming Hui, the managing and executive director, and Huang Yong, the executive president, had been detained by police in China's southern boomtown of Shenzhen since December 18 for suspected "embezzlement of the assets of an organisation in which they have duties".

[Canada crude-Prices fall as more pipeline outages planned](#)

CALGARY, Alberta (Reuters) - Canadian crude oil discounts deepened on Tuesday to levels not seen in four months as Enbridge Inc told shippers it plans outages on a troublesome U.S. pipeline, pointing to further transport squeezes, market sources said.

[Shell Suffers New Setback on Alaska Offshore Drilling](#)

Shell suffered a new setback to its plans to drill offshore in the arctic after environmentalists successfully challenged a decision to grant the company air-quality permits.

[Reports show work still to be done on Alaska natural gas supply line](#)

FAIRBANKS — A plan to rearrange and expand Fairbanks' natural gas supply still requires many steps beyond financing, detailed project descriptions show.

The privately held Fairbanks Natural Gas is leading the project with the publicly controlled Alaska Gasline Port Authority. The authority would buy FNG, purchase natural gas on the North Slope and liquify the gas for delivery by truck to North Pole.

[A peek into our energy crystal ball](#)

This year we do not see any black swans on the horizon. That does not mean none is lurking just out of view. Not being extraordinarily gifted forecasters, we therefore mainly predict a continuation of current energy trends with, perhaps, a few novel twists.

Acknowledging that we may be proved wildly wrong, here are our top five energy

predictions for this year.

[School releases list of top environmental issues](#)

MONTPELIER, Vt. — Congress' failure to adopt climate change legislation, the Gulf oil spill and the United States' first greenhouse gas rules top an environmental law school's list of the nation's 10 most critical environmental and policy issues of 2010.

[Cuomo Picks 'Open Space' Advocate for Environment Chief](#)

Gov. Andrew Cuomo is receiving plaudits from environmental groups for nominating Joseph Martens as the new commissioner of New York State's Department of Environmental Conservation.

Since 1998, Mr. Martens has served as president of the Open Space Institute, a nonprofit that works largely in the northeastern United States to acquire lands for conservation and sustainable development and farming. Mr. Martens also served as deputy state secretary of energy and the environment from 1992-94, during the gubernatorial administration of Mr. Cuomo's father, Mario.

[Environmental Economist Joins White House Staff](#)

Nathaniel Keohane, most recently the chief economist at the Environmental Defense Fund, has moved to the National Economic Council at the White House to help direct environmental and energy policy. He replaces Joseph E. Aldy, who is returning to the faculty at Harvard University.

Mr. Keohane, an early and vigorous proponent of the market-based system of cap and trade to control greenhouse gas emissions, will be joining a White House bracing for an onslaught from Republicans in Congress determined to undo much of the administration's environmental agenda.

[We're meeting goals on renewable energy -- but they should be higher](#)

In 2006, the California Legislature and Gov. Arnold Schwarzenegger ambitiously committed California to obtain 20 percent of its electricity from renewable resources by the end of 2010.

The utilities blanched and the skeptics snickered. But despite much naysaying, we'll get pretty darned close. The California Public Utilities Commission said we'd reach 18 percent by the end of this month, and move past 20 percent some time in the new year.

That's good, but we can do better.

[US, Chinese companies partner in solar plant](#)

BEIJING (AP) -- A U.S. company said Wednesday it wants to start construction this year in China of one of the world's biggest solar power plants after forming a partnership with a major state-owned utility company.

[Tax on carbon: The only way to save our planet?](#)

He first warned about climate change 30 years ago. Now James Hansen wants us to get serious about a tax on carbon.

[Transition cities: Mission impossible?](#)

In a breakout session that day, called "Urban Permaculture," one of the participants commented, "This is all great for the rural areas, but what do you do about a big city like Los Angeles?"

The instructor threw up his hands and shrugged. *It's impossible*. Someone laughed uncomfortably. Amid a crowd of what should have been Southern California's most forward thinking, out-of-the-box designers, there were no answers.

People have said it to me directly over the years, in person and in email. *It's impossible. How can you even think about Transition in Los Angeles? It's too big.*

[10 must-read environmental books from 2010 to read in 2011](#)

From photo essays of untouched wilderness to hard-hitting exposés of corporate negligence, this year's eco-lit addresses the rapidly changing environment and our place in it.

[Crisis Triggers Reality Check in Spain Power Sector](#)

The good thing about bubble-bursting is that it triggers change, however painful it can be. Myths that were nurtured for years fall apart unceremoniously, replaced by needed reality.

This is the reckoning Spaniards face, especially starting in January when their power bills increase nearly 10 percent, the highest rise in over a quarter of a century, now that the government approved the painful measure the last week in December.

The story is even more poignant considering Spain was a global poster child of power "sustainability." After all, in 2010 the country generated more than a third of its electricity with renewable sources, all while shunning nuclear power, reducing its dependence on foreign energy sources, and creating hundreds of thousands of jobs in the

process. Even President Barack Obama based part of his administration's green policies on the Spanish example.

Overlooked by most though was the fact that the model was based on a decade-old political scam that was simply unsustainable. And the crisis exposed this reality. Now the real pain starts.

[Get the Energy Sector off the Dole](#)

Why ending all government subsidies for fuel production will lead to a cleaner energy future—and why Obama has a rare chance to make it happen.

[Oil industry to Obama: Expand offshore drilling](#)

WASHINGTON – The Obama administration should reconsider its decision not to pursue offshore drilling in the eastern Gulf of Mexico or along the nation's East Coast, the oil industry's chief trade group said Tuesday.

Jack Gerard, president of the American Petroleum Institute, said the group will press lawmakers and administration officials to expand drilling along the Atlantic coast and in Alaska. If agreement cannot be reached, Gerard said he would support language favored by some congressional Republicans to mandate expanded drilling.

[Crude May Fall to \\$80 After 'Bearish Reversal Warnings,' Petromatrix Says](#)

Crude oil prices are showing signs they may decline to as low as \$80 a barrel, according to consultants Petromatrix GmbH.

Oil's failure to close above a resistance level at \$92 a barrel in New York yesterday, and a "shooting star" pattern formed the previous day are "bearish reversal warnings," the Zug, Switzerland-based firm said in a report today.

[Ghana Fuel-Price Hike May Boost Inflation Rate to 10%, Standard Bank Says](#)

Ghana's inflation rate in January may reach double digits for the first time in eight months after fuel prices were increased 30 percent, leading to higher costs for transport and gasoline, said Standard Bank Group Ltd.

The rate may rise to 10.2 percent in January, said Stephen Bailey-Smith, London-based emerging markets strategist. Inflation was 9.1 percent in November, the most recent data available. December prices will be released by the Ghana Statistical Service Jan. 12.

[What's the Hubbert Peak Theory?](#)

The Hubbert peak theory posits that for any given geographical area, from an individual oil-producing region to the planet as a whole, the rate of petroleum production tends to follow a bell-shaped curve.

[ADNOC's US\\$6bn offshore gas network moves closer](#)

Abu Dhabi has moved closer to completing an offshore gas processing and transportation network that will allow it to bring more energy resources onshore for domestic use.

[ReThink Review: *Gasland* -- Is Your Tap Water Flammable?](#)

As I mentioned in my review, the natural gas industry has responded to *Gasland* by launching a website called Energy In Depth to debunk its claims. But what's interesting is what is admitted through this website if one actually reads it, like the fact that fracking has never been regulated under the Safe Drinking Water Act -- something which might have happened in 2004 if a study by Bush's EPA hadn't concluded that there was no evidence that fracking polluted water supplies, yet conducted no water tests that would have found such evidence. Or if Dick Cheney's 2005 energy policy had re-classified fracked wells as injection wells.

[The New Gold Rush](#)

Finally, we have the serious issue of peak oil, which threatens to destroy the global economy, heavily dependent on cheap fossil fuel. Peak discovery has already occurred and we are fast approaching peak production of reasonably priced oil. Switching over to more expensive oil or to alternative fuels will have a negative impact on global GDP. This irreversible trend will fuel inflation for years to come.

[11 Green Business Predictions for 2011](#)

The reality is that green businesses and the low carbon economy are on track to achieve their biggest breakthrough sometime around 2015 – when a perfect storm generated by the inauguration of giant renewable energy projects, the falling cost of solar power, the rising price of oil, and the emergence of second generation biofuels and electric vehicles will finally force the mainstream to sit up and take notice to the low carbon revolution that green firms have been quietly pioneering.

Instead, 2011 looks set to be a year when the world's airwaves are dominated once again by the precarious state of the global economy, the volatile state of geo-politics, and utterly inconsequential speculation about Wills n Kate's engagement, honeymoon and marriage.

[Eleven Issues That Will Determine The Next 11 Years](#)

A number of analysts predict that the industrialized nations of the world will hit peak global oil as soon as 2020, and with the unforeseen expansion of a number of industrial societies, that event may occur even sooner. This means that the amount of known petroleum deposits on the planet will be less than the demand for petroleum products, which entails exorbitant prices for gasoline, a lengthy worldwide recession, and according to some, the potential dissolution of modern civilization. A 2005 U.S. Department of Energy report (colloquially known as "The Hirsch Report") states that solutions (such as alternative fuel development and conservation systems) do exist, but are only viable if implemented a decade in advance. If absolutely nothing else, expect this to create a global panic that makes "Y2K" and "2012" seem trifling by comparison. And if the worst comes to fruition?

[The Dollar vs. a Freight Train](#)

Michael Ruppert tacitly believes that five billion people will be wiped off the face of the earth sometime in the next few decades.

[Israel focuses its energy on clean technologies](#)

JERUSALEM – After a successful run of high-tech and computer-related innovation, Israel is focusing its ambitions on the next big thing – preparing the world for life without coal and oil.

Israel is driving to become a world leader in alternative energy, with the government throwing its support to encourage cutting-edge technologies. The number of private entrepreneurs entering the so-called "clean-tech" sector has swelled dramatically.

[Need a streetcar? There's an app for that](#)

It's no secret that the city's streetcars can be slow.

But Toronto's tech community has been quick off the mark developing smart-phone apps that some people believe are streets ahead of the TTC's own next-streetcar-arrival tools.

Rocket radar, launched Dec. 29 by Adam Schwabe is the latest app for iPhones that quickly tells users when the next few streetcars will arrive at their stop.

[Jeff Rubin: Is there enough oil to repay debt?](#)

Given austerity's slim chance at success, you might ask why government borrowing rates in the bond market, though rising, aren't much higher. History would suggest that the yield on a 10-year U.S. Treasury bond should be close to double what it is, given the

size of Washington's borrowing program.

The reason it's not is that creditors and debtors both share a common belief that a powerful economic recovery lies just around the corner—one so powerful, in fact, that tax revenues will suddenly fill government coffers and let bondholders be paid the huge sums they are owed while sparing taxpayers an otherwise draconian fate.

The only problem is that the economic growth everyone is counting on is powered by oil. And as you've probably noticed, that's getting more and more expensive to burn.

[Oil Drops a Second Day on Signs Gasoline Demand Is Lagging Behind Recovery](#)

Oil declined to its lowest in two weeks on signs that snowstorms in the U.S. curbed gasoline consumption in the world's biggest crude consumer.

U.S. gasoline demand at the pump plunged 13 percent to the lowest level in five years last week, according to data from MasterCard Inc. The country's stockpiles of the motor fuel climbed 5.6 million barrels last week, the most in a year, the industry-funded American Petroleum Institute said yesterday. An Energy Department report today will also show a supply gain, according to a Bloomberg News survey.

"Today and yesterday the market has become more concerned about the fundamental situation in oil," said Eugen Weinberg, head of commodities research at Commerzbank AG in Frankfurt. "The MasterCard report shows gasoline demand falling, while we still have ample inventories."

[Oil price is risk to economic recovery, says IEA](#)

The current high price of oil will threaten economic recovery in 2011, according to the International Energy Agency (IEA).

It said oil import costs for countries in the Organisation for Economic Co-operation and Development had risen 30% in the past year to \$790bn (£508bn).

[U.K. Natural Gas, Power Decline as Milder Weather Eases Supply Concerns](#)

U.K. natural-gas contracts fell as forecasts for milder weather eased supply concerns and another liquefied gas tanker headed to Britain. Power declined.

Temperatures will "become nearer normal for most and perhaps mild in southern parts of the U.K. by the end of the period" from Jan. 9 through Jan. 18, the U.K.'s Met Office said on its website.

[Why gas costs more--and is more profitable--out West](#)

FORTUNE -- In the cutthroat fuel industry, some refiners are pulling ahead by taking advantage of a quirk in the United States gasoline market. Gas prices in the U.S. fluctuate with the global, volatile oil market, but gasoline prices within the country are far from uniform. Part of that is because the Western market requires a different, more expensive mixture than the gasoline sold in states near the Gulf of Mexico.

[Commodities outlook for 2011: \\$100 oil and \\$1,500 gold](#)

NEW YORK (CNNMoney) -- Commodity prices had a stellar 2010 and experts expect that momentum to carry over into this year, but at a more measured pace.

On average, investment strategists and money managers are predicting oil prices will rise 4% and gold will edge up just 1% by the end of 2011, according to an exclusive CNNMoney survey.

[Oil prices rise. We adapt. \(So don't panic.\)](#)

In Climatopolis, I argue that the anticipated rise in fossil fuel demand in China and India will help us to adapt to climate change. If forward looking entrepreneurs anticipate that real fossil fuel prices will rise over time, then they have an incentive to find substitutes. If these substitutes are cleaner than fossil fuels (i.e renewables) then we can achieve the win-win of economic growth without exacerbating GHG concentrations in the atmosphere. In this sense; the belief in "Peak Oil" helps us to simultaneously mitigate and adapt to climate change.

[Texas taxes drive oil price rally](#)

LONDON - Oil bulls risk mistaking tax-driven changes in crude inventories and a temporary rise in heating demand for a lasting transformation in the outlook.

[Oil falls below \\$89 despite US crude supplies drop](#)

SINGAPORE – Oil prices dropped below \$89 a barrel Wednesday in Asia, extending losses from the previous session despite signs U.S. crude demand may be improving.

[A Crude Theory](#)

As the oil price rises, so does Russian belligerence.

[Lebanon urges UN to curb Israel offshore drilling](#)

BEIRUT (AFP) – Lebanon's foreign minister on Tuesday asked the United Nations to curb Israel's offshore drilling plans, days after a US firm announced the discovery of a large field off the Jewish state's coastline.

"We request you do everything possible to ensure Israel does not exploit Lebanon's hydrocarbon resources, which fall within Lebanon's economic zone as delineated in the maps the foreign ministry submitted to the United Nations in 2010," Foreign Minister Ali Shami said in a letter addressed to UN Secretary General Ban Ki-moon.

[No need for more OPEC oil - Kuwait](#)

(Reuters) - Kuwait's oil minister said on Wednesday he considered oil at \$80 to \$100 a barrel to be a "fair price" and did not expect OPEC to increase output in the first half of this year.

[Child scavenges for family's survival in Afghanistan](#)

Kabul (CNN) -- Five-year-old Marjan snuffles from the cold as she struggles under her load. Hoisted on her back is a bag almost as big as she is.

Instead of going to school, Marjan scavenges for hours with her 10-year-old aunt collecting trash. It is a heavy burden for such a small child but a necessary one. The trash she collects is what her family uses as fuel for cooking and, more importantly, to fend off Kabul's bitter winter.

It is a matter of life and death for someone so young. Last winter, Marjan's baby brother died from the cold.

[Murder in Islamabad: Pakistan's Deepening Religious Divide](#)

The citizens of Punjab, Pakistan's most populous province, were in shock: their governor, Salman Taseer, had been shot to death, allegedly by one of his bodyguards, while walking through a marketplace in the country's capital, Islamabad. Minutes after the news got out, members of Taseer's Pakistan People's Party (PPP) took to the streets of the Punjabi capital of Lahore in anger. Protesters burned tires and shouted slogans against Taseer's assassin. One man wearing the PPP's red, black and green colors forced a shopkeeper to lower his shutters, screaming that no one would be allowed to do business on the day a party leader was killed. Besides grief, the furor stemmed from political frustration. Taseer was Punjab's most visible member of the PPP, which, under Pakistani President Asif Ali Zardari and Prime Minister Yousuf Raza Gilani, slipped into crisis with a tenuous hold on the central government just before the outspoken governor was murdered.

[Drinking Austerity Kool-Aid in 2011](#)

Another worry related to the potential diminution of spending power is the troublesome rise in crude prices. Net demand is not up appreciably, and Saudi production remains relatively low. Peak oil dynamics could well be at work here. In a broader sense, what Paul Krugman describes — “we’re living in a finite world, in which the rapid growth of emerging economies is placing pressure on limited supplies of raw materials, pushing up their prices” — could well prove accurate. Which, in the absence of countervailing support to incomes via fiscal policy or increased private sector activity that increases jobs, means cuts in other areas of discretionary spending. Hardly a healthy trend in a world still constrained by inadequate demand. Crude prices are already up enough to be a substantial tax on US consumers that has probably more than offset whatever aggregate demand might have been added by the latest tax package.

[Coal's burnout: Have investors moved on to cleaner energy sources?](#)

The headline news for the coal industry in 2010 was what didn't happen: Construction did not begin on a single new coal-fired power plant in the United States for the second straight year.

This in a nation where a fleet of coal-fired plants generates nearly half the electricity used.

But a combination of low natural gas prices, shale gas discoveries, the economic slowdown and litigation by environmental groups has stopped - at least for now - groundbreaking on new ones.

[Can Warren Buffett Stop the Spread of Nuclear Weapons?](#)

Four years after making that initial donation, Buffett recently saw the first dividends come in. On Dec. 5, the International Atomic Energy Agency (IAEA) unanimously approved the creation of a nuclear fuel bank overseen by the U.N. that would offer countries that agree to pursue nonmilitary nuclear programs a guaranteed source of fuel for their atomic reactors. The vote took months of diplomatic wrangling even after funds were raised to match Buffett's original 2006 donation of \$50 million, which he offered on the condition that the additional \$100 million required to buy the first stockpile of nuclear fuel come from other sources. With the help of an Obama Administration that has put nuclear nonproliferation at the top of its foreign-policy agenda, several countries chipped in — including \$32 million from the European Union, \$5 million from Norway, \$10 million from Kuwait and another \$10 million from the United Arab Emirates (which feels threatened by Iran and wants U.S. support for its own nascent nuclear-energy program).

[Merkel's Nuclear Embrace Earns Derision as German Clean Power Costs Climb](#)

The solar panels on Tommy Clever's house in Berlin generate enough electricity on sunny days to run his washing machine, vacuum cleaner and other appliances, with a bit left over to help power the region's factories and offices.

Clever likes the arrangement. He gets 51 euro cents (\$0.68) per kilowatt-hour for any

electricity his solar rooftop feeds back into the grid, which is about 10 times the wholesale price paid to coal or nuclear plant owners. The payment rate, mandated by the government, stays in effect for 20 years and gives him an annual return of about 9 percent on his investment in the photovoltaic setup, Bloomberg Markets magazine reports in its February issue.

“It’s been better than putting money in the bank,” the 39-year-old environmental consultant says.

[Detroit's Big Three automakers post solid 2010 sales](#)

DETROIT — Auto sales rose in the United States last year for the first time since the recession. They're still far from what they were just a few years ago — but that's just fine with the downsized auto industry, which can post profits even if it sells millions fewer cars and trucks.

For the year, new car and truck sales came in at 11.6 million, up 11 percent from last year, automakers reported Tuesday. For December alone, sales were 1.14 million, also up 11 percent from a year earlier.

[10 new car companies aiming for the big leagues](#)

Like a big-budget sports team on a free-agent acquisition binge, the car industry has been rapidly acquiring new players. And as there’s no overpriced ball park program for car buyers to work from, we thought we had better put together a guide to the rookies.

As usual, not all of these newcomers are going to make it in the league, but the season is young, optimism is in the air and we will soon see which of them has what it takes to compete in the major leagues.

[Navy Receives First Chevy Fuel Cell Vehicles](#)

Even the U.S. military is worried about peak oil and weaning its weapons off of crude oil. A few days ago, the Navy took delivery of Chevy Equinox full-cell vehicles in the Aloha State, Hawaii.

[Electric Cars Financially Viable by 2020, Study Reports](#)

According to a recent analysis by Deutsche Bank, electric car battery prices could have dropped so much by 2020 that electric cars will truly be affordable for everyone.

[Diary of an electric commuter](#)

FORTUNE -- When an argon-blue Nissan Leaf, the first production all-electric, zero-emission family car to hit the U.S., whispered into my garage last month, I knew instantaneously that it was a game changer. New relationships come with hopes, fears, and surprises, and ours -- the Leaf's and my union -- went quickly from blind date to a marriage of convenience.

[Skateboarders aim to flip commuter bans](#)

ASHEVILLE, N.C. — To most, skateboarding is a sport featuring half-pipes and high-flying riders performing daredevil tricks.

To Ryan Seymour, it represents something much more basic: transportation. He would like to commute to his job managing the city-run Food Lion Skatepark in downtown Asheville, from his apartment in the nearby Montford neighborhood.

[We should have listened](#)

This past year marked 31 years since Carter's "moral declaration of war" against imported oil energy. Coincidentally, it also marked the year both the EIA and IEA publicly confirmed Shell geophysicist M.K. Hubbert's and Carter's oil peak timelines. Global production of conventional oil has plateaued since 2005-06. Peak Oil has arrived. Take off the tin foil hats, boys and girls, it's really here, right on time, just as calculated back in 1974.

['Peak Oil' Doesn't Matter](#)

The debate about moving away from fossil fuels is not just a battle between resource optimism and gloomy pessimism. Or even between economic triumphalism and the harsh reality of pressure on *all* resources as a billion people enter the middle class (see the recent concerns about the availability of rare earth metals, for example).

No, this is about much larger issues. Even if you skip over the risks of fossil-fuel extraction (BP spill, anyone?), or the cost to business of relying on volatilyly-priced inputs, how can you discuss oil and not even mention two rather inconvenient, but enormous, problems: **climate change and global security**.

[Peak Fertilizer?](#)

The theory known as "Peak Oil" became popular a few years ago when mainstream media outlets caught on to the concept that there was a finite supply of crude oil in the earth and at some point production would reach past the pinnacle.

Today, a similar theory is being applied to the fertilizer industry: "Peak Fertilizer." This concept is gaining strength in the agriculture industry and could have significant ramifications for the industry.

[Family planning helps women ... and slows climate change](#)

We now know that meeting women's needs for family planning not only strengthens the health and rights of families around the world, but will also help slow dangerous climate change.

Recent research suggests that simply meeting existing "unmet need" would deliver up to one-seventh of the carbon reductions essential to slow global warming, and at a very low cost. With women empowered to plan their pregnancies, the world's population grows more slowly, as do carbon emissions.

[Finding the Fingerprints of Climate Change in Storm Damage -- a Very Long Detective Story](#)

Hurricanes could become more prevalent with climate change, but the economic pain they deliver might not be recognized as man-made for 260 years.

That means smashed homes and ruined roads may not be attributable to greenhouse gases for centuries, according to new research that suggests climate policies like adaptation should be designed without financial evidence of climate-enhanced windstorms.

[Scientist proves conservatism and belief in climate change aren't incompatible](#)

MIT professor Kerry Emanuel is among a rare breed of conservative scientists who are sounding the alarm for climate change and criticizing Republicans' 'agenda of denial' and 'anti-science stance.'

[Why dire climate warnings boost scepticism](#)

Upsetting people's innate belief that the world is a fair place could make them less likely to take action on climate change.

[China may need 300 years to beat desertification](#)

BEIJING (AFP) – Huge population pressures, scarce rainfall and climate change have made China the world's biggest victim of desertification, a problem that could take 300 years to reverse, state media said Wednesday.

Overgrazing, excessive land reclamation and inappropriate water use also make it especially difficult to halt deserts from encroaching on large areas of land in the nation's arid north and west, the China Daily reported.

[Premiere: Prophets of Doom](#) (airing tonight on The History Channel)

Three futurists look to the past and propose different theories on how America will decline, and ultimately meet its end.

Nate Hagens and Jim Kunstler are among those interviewed.



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